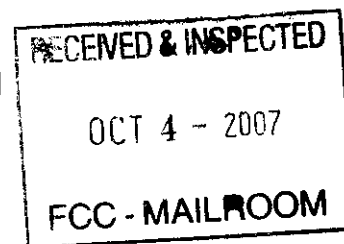


Original

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554



In the Matter of)
)
Western New Life, Inc.) MB Docket No. 91-259
)
Construction Permit for WJZG-FM)
Facility ID 3250)
Culebra, Puerto Rico)

To: Office of the Secretary
Att: Peter Doyle, Chief ASD, MB

**REPLY TO RESPONSE TO REQUEST FOR URGENT ACTION OF ARSO AND
OPPOSITION TO NOTICE OF INTENT TO RESPOND OF ARZUAGA**

Western New Life, Inc. ("Western") by its counsel, respectfully submits its Reply to the "Response to Request for Urgent Action" filed by Arso Radio Corporation ("Arso"), and its Opposition to the "Notice of Intent to Respond" filed by Jose Arzuaga ("Arzuaga"). In support thereof, Western states as follows:

1. Western's Request for Urgent Action was sent under a certificate of service dated August 6, 2007, and was received by the FCC on August 8, 2007 (the "Request"). Western is the present permittee of Station WJZG-FM, Culebra, Puerto Rico (fac. id 3250). The Request reminded the FCC that the construction permit for this facility was first issued in on June 23, 1995. **From the date the permit was issued, it has been impossible for any permittee to obtain a license for this facility.** As Western explained, this facility was an unwilling participant in the rule making proceeding MB Docket 91-259, and the channel

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designation for this facility was changed from Channel 293A to Channel 254A as a result of that rule making proceeding.

2. This facility was at the end of a long daisy chain of channel changes and community changes which needed to be implemented before WJZG could obtain authorization to operate on Channel 254A. More importantly, because the Report and Order in MM Docket 91-259 changed the Table of Allotments, the facility could not be licensed on the pre-R&O channel, according to FCC policy.¹ So for the past 12 years, it has been impossible for this facility to be licensed. Despite that, the station has operated and provided first local service to Culebra by way of Special Temporary Authority ("STA") since December 1998.

3. Operating under an STA means that the station can be forced off the air by any licensed station that files an application that either causes interference to or receives interference from WJZG. The tenuous status of the facility has hindered the ability of permittees to obtain financing for the station, has made advertisers skeptical and staff sometimes difficult to keep. This is not the first time a permittee has tried to get a license for this station. Prior to the Request, as mentioned above, a license application at the pre-R&O channel was filed and then dismissed, a Petition for Rule Making was filed and dismissed, a Notice of Proposed Rule Making was issued on a subsequent Petition for Rule

¹ One of Western's predecessors did try to file a license application on the pre-R&O channel and it was dismissed by the FCC. See file no. BLH-19980413KC, dismissed 5/29/1998.

Making (see MB Docket 04-318) but that was denied by the FCC as well.² As the only facility in the entire MB Docket 91-259 proceeding without a license for its Station, Western is the party most interested in seeing a resolution. It filed the Request with the intent of prodding the FCC into enforcing its decision, something the Commission has seen fit to do in the past in a much shorter time frame.³

4. Two parties have filed in response to Western's Request. Arzuaga filed a "Notice of Intent to Respond" (the "Notice") requesting an additional 30 days from September 17, 2007 in which to get something on file, and Arso filed a Response.

ARZUAGA'S NOTICE WAS NOT TIMELY AND HE SHOULD NOT BE ALLOWED
ADDITIONAL TIME FOR A SUBMISSION

5. Arzuaga is a key source of the delay in implementing Docket 91-259, though certainly not the only source of delay. ***At his request***, the Report and Order in MM Docket 91-259⁴ (R&O), ordered Arzuaga to change the channel of his station WQQZ, fac id. 32141 (now WIDI) from channel 252A to channel 258A.⁵ In August 1995, Arzuaga applied for and received a construction permit authorizing the channel change for his station to Channel 258B, an upgrade in

² A Petition for Reconsideration of that decision is pending.

³ See January 12, 1998 letter re KTLS, Newcastle, OK and KIMY, Watonga, OK ordering implementation of a contested decision in an FM rule making proceeding, discussed supra, and attached as Exhibit D.

⁴ 10 FCC Rcd 6673 (1995).

⁵ In fact, he was an original proponent in this docket and the R&O granted him the exact facility changes he had requested.

class not contemplated by the R&O, but granted for Arzuaga anyway.

Construction on this permit has not occurred.⁶

6. Six years later, in May 2001, Arzuaga filed his first application to implement that relatively simple change (BPH-20010507AAA). An informal objection was filed and the application was ultimately returned as inadvertently accepted for tender on October 11, 2001.⁷ At the end of October 2001, Arzuaga filed a second application to implement the change he had requested. This application was also subject to informal objections and was dismissed by the Commission on March 7, 2002.⁸ Arzuaga has made no further attempt to implement the change that he requested from the Commission.

7. To further illustrate his lack of urgency, Arzuaga offers a Notice that he will be filing a response to Western's request by October 17, 2007. The Request was filed on August 6, 2007. Arzuaga should not need 60 days to prepare a response to the Request. If he wanted to be heard, Arzuaga should have filed his request much earlier. His Notice should be stricken as untimely, and any response he does provide should not be considered part of the record when the Commission considers Western's Request. As stated earlier, Western is

⁶ The permit requires that WKJB fac id 54818 (now WUKQ) change frequencies from Channel 256B to Channel 254B at the same time WQQZ/WIDI changes from Channel 252 to Channel 258. WKJB/WUKQ has yet to file an application to facilitate its required change from Channel 256 to Channel 254. There is an application in CDBS where WKJB/WUKQ attempted to change channels to Channel 253 (BPH-19990427ID) but that application was dismissed. The WKJB/WUKQ situation is addressed more fully in paragraph 10, below.

⁷ The CDBS record on this application is very confusing. There are actually two entries for the same application number, one stating an amendment was tendered on May 21, 2001, and the other stating an amendment was tendered on August 7, 2001, all to no avail as the application was ultimately returned.

⁸ Ironically, one of the informal objectors to Arzuaga's application was Arso.

the only party in this proceeding operating with any sense of urgency, and Western hopes the FCC recognizes this and brings resolution quickly.

**ARSO HAS BEEN OFFERED AND HAS REFUSED TO ACCEPT A SETTLEMENT
PAYMENT IN EXCESS OF ITS REQUEST FOR REIMBURSEMENT**

8. The R&O ordered Arso, the licensee of Station WPRM-FM, to change channels that Station from 253B to 256B in San Juan. In March 2006, eleven years after the R&O issued, Arso filed for and was granted a construction permit to make the required channel change (see file no. BPH-20060330AAF). Arso states it has not implemented the change for two reasons: (1) WYAS (formerly WSAN) has to implement its construction permit first (see file no. 19980831IB), which it cannot do until Arzuaga implements his required change for which he does not yet have a valid permit; and (2) no party "has come forward to reach an agreement regarding the payment of expenses to Arso." As for the first point, Western knows that La Mas Z Radio has completed construction of its outstanding construction permit for WSAN, fac id 8898 (now WYAS), but cannot commence operations and obtain a license for those facilities until Arzuaga implements his changes. So again it is Arzuaga who is blocking progress on several fronts.

9. As for the second point, Arso was recently offered and refused an amount for reimbursement in excess of what it requested. On January 20, 2000, Arso circulated a letter estimating that's its reasonable reimbursable costs to make the required channel change would be approximately \$200,000 (see

Exhibit A). On January 20, 2006, Arso circulated another letter, this time seeking \$262,285 (See Exhibit B). Arso was offered the sum of \$300,000 to cover expenses, nearly \$40,000 over what it requested, but turned down the offer (see Exhibit C, letter to Aureo Matos, president of La Mas Z Radio ("La Mas") dated February 27, 2007).⁹ Contrary to Arso's assertion, there has been an offer to pay Arso in excess of the amount of its reasonable expenses that Arso did not accept.

UNIVISION IS IN NO HURRY EITHER.

10. WKJB-FM, fac id 54818 (now WUKQ-FM) was ordered to move from Channel 256B to Channel 254B in Mayaguez, PR by the R&O. The current licensee of the station is Univision Radio Puerto Rico, Inc. To the best of Western's knowledge, an application to implement the ordered change has never been filed for this facility. Western and La Mas have had numerous meeting with Univision and its predecessors in an attempt to reach an agreement over compensation of reimbursable expenses, but the meetings have yet to produce a positive result. It is unclear what is preventing Univision from at least filing an application to show its sincerity in doing what the FCC has ordered.

⁹ Aureo Matos is the president and 100% shareholder of La Mas Z Radio, Inc., ("La Mas") the corporate licensee of WSAN, fac id 8898 (now WYAS). This station was ordered to move to Chanel 252A in Las Piedras, PR be the R&O. La Mas obtained a construction permit to implemnt its change in 1999, but cannot obtain program test authority for the move unless and until Arso's WPRM initiates its change.

WHY FCC ACTION MUST BE TAKEN NOW.

11. Western is well aware that the Commission has a "hands off" approach with respect to reimbursement of expenses for parties involuntarily required to move by a rule making proceeding. The question of what constitutes "reasonable expenses" in a move that's forced upon a licensee or permittee by an FCC rule making order is ordinarily left for the proponent/beneficiary to negotiate and settle with the party that will be forced to move to enable the proponent/beneficiary to take advantage of the result it sought and obtained in the rule making proceeding. In the 12 years since the R&O has issued in MM Docket 91-259, there has been little progress in negotiation and implementation. Ironically, it is La Mas and Western, two parties who were involuntary participants in the docketed proceeding who are taking the lead in trying to get the matter resolved! This is contrary to what was ordered by the FCC.

12. Paragraph 19 of the R&O states:

Commission policy requires reimbursement to affected stations for the reasonable costs associated with changing frequencies and all of the parties have stated their intention to reimburse the licensees of Stations WPRM-FM and WKJB for the reasonable costs associated with their change in channel. See Circleville, Ohio, 8 FCC2d 159 (1967). Therefore, in accordance with Commission policy. Colon-Ventura, Arzuaga, V.I. Stereo and the ultimate permittees for the allotments at Santa Isabel and Frederiksted will be required to share in the reimbursement. We do not believe it necessary to make each of the petitioners severally liable for the costs associated with the change of channel by Stations WKJB and WPRM-FM as requested by WKJB. Our experience indicates that parties generally enter into good faith negotiations and resolve issues regarding reimbursement well' before a station actually changes channel. There is nothing in the record in this proceeding, and WKJB offers no evidence, to suggest that any of the parties responsible for participating in the

reimbursement are not willing and able to do so. Further, the benefitting parties herein must coordinate their actions with the licensees of Stations WKJB-FM and WPRM-FM since it is Commission policy to condition construction permits which are dependent upon the change of channel by an existing station on the issuance of program test authority to that station. Therefore, the benefitting parties cannot go on the air with their new or improved services until such time as the existing licensees are ready to being operation on their new channels.

10 FCC Rcd 6673 at 6677. To recap, at the time of the R&O, Colon Ventura was the licensee of Station WSAN (now WYAS), Arzuaga was the licensee of WQQZ (now WIDI), and V.I. Stereo was and remains the licensee of WWIS-FM. Based on the R&O, the "benefiting parties" that should be responsible for reimbursing the costs of the necessary channel changes are La Mas, the current licensee of WYAS, Arzuaga, the current licensee of WIDI and V.I. Stereo the current licensee of WWIS.¹⁰ Only La Mas has shown any interest in following through on the FCC ordered responsibility to reimburse expenses. Arzuaga and V.I Stereo have done nothing, and as such, should not be able to reap any benefits from the rule making decision set forth in the R&O until they agree and actually contribute to the ordered reimbursement of the other parties.

13. V.I. Stereo's situation is critical to the need for the FCC to intercede in this case ***immediately***. In a nutshell, V.I. Stereo lost its license for WWIS in 2001 when it was alleged, and then admitted by V.I. Stereo that the station had

¹⁰ In theory, the "ultimate permittees" at Santa Isabel and Frederiksted should also be required to participate in the reimbursement, but Western does not know who, if anyone, ever acquired those construction permits.

failed to broadcast for more than 12 continuous months.¹¹ WVIS was licensed to Christiansted, VI, but asked for and was granted permission in the Docket 91-259 R&O to relocate its station to Vieques, PR and upgrade from a Class A to a Class B facility at the new community of license. It filed an application to implement the changes promulgated in the R&O on January 16, 1997¹² but even though its move to Vieques was not conditioned on the move of any other party, it never constructed at Vieques.

14. In December 2006, using its new found discretion to reinstate stations that had failed to broadcast for 12 consecutive months, the Commission brought WVIS back to life and gave V.I. Stereo one year to "resume meaningful and ongoing service to Christiansted, or begin such service to Vieques."¹³ V.I. Stereo's clear intention is to construct at Vieques. On April 24, 2007, it was granted a construction permit for Channel 291B at Vieques, which is the channel and community it requested and received authorization for in the R&O.¹⁴

15. If Western was like the other participants in this proceeding and had a license for its pre-R&O allotment, then it would have the luxury to be just like the other participants and thumb its nose at the R&O. ***However, WJZG is the only facility in the proceeding without a valid FCC license from which to operate.*** It was awarded a construction permit for Channel 293A

¹¹ See Letter to James L. Oyster, Esq. from Peter H. Doyle, Chief, Audio Services Division (October 25, 2001).

¹² See file no. BPH-19970116IF

¹³ *V.I. Stereo, Inc.*, FCC 06-169, released December 4, 2006 at paragraph 11.

¹⁴ In another interesting twist, the construction permit was issued for a full three year term, even though V.I. Stereo was only provided with one year to construct and return to the air in the December 4, 2006 decision.

prior to the R&O which was conditioned on the outcome of the R&O. The R&O moved WJZG from Channel 293A to Channel 254A in 1995, and conditioned the move from Channel 293A to Channel 254A on WPRM (Arso) and WSAN (La Mas) among others completing their moves first. From the day the R&O was adopted the allotment on Channel 293A at Culebra was deleted and WJZG could not be licensed on that channel.¹⁵ And since the "conditions precedent" to its licensing on Channel 254A have not occurred in the last 13 years, Western cannot seek a license for WJZG on that channel either.

16. In 1998, the former permittee of WJZG requested and obtained Special Temporary Authority to operate the Station on Channel 293A in Culebra, the pre-R&O channel, until other stations implemented the changes in the R&O and Channel 254A became available. Since the grant of the STA, WJZG (formerly WXZX) has operated continuously on Channel 293, providing first local service to the community of Culebra. Without Commission intervention ***immediately***, the Station's years of continuous service which residents of Culebra and others in the listening area have come to rely on will be for naught, as the WJZG will be forced off the air to make way for WVIS.

17. WVIS has a valid construction permit to construct and commence operations on Channel 291B at Vieques. There are no conditions precedent to its permit, even though V.I. Stereo was one of the rule making proponents ordered

¹⁵ A license application specifying the pre-R&O channel (BLH-19980413KCC) was dismissed by the FCC on May 29, 1998, for just this reason. Had the FCC granted this application, and allowed the facility to be licensed at the pre-R&O channel until the proponents of MM Docket 91-259 made their changes, Western would not be in the precarious position it now faces.

by the R&O to reimburse those involuntarily forced to move to accommodate what the proponents requested in the rule making. V.I. Stereo must have WVIS up and running by December or it will lose the license for the station a second time. The WJZG STA is conditioned such that the FCC can terminate the STA immediately upon notification from WVIS that it has commenced operation on Channel 291B at Vieques. Come December, WJZG will be forced to cease operations unless a path is cleared to allow it to commence operations on its allotted Channel 254A. Since the proponents have been unable to secure the implementation of this R&O in 12 years, leaving the fate of Western's WJZG hanging in the balance, Western has no choice but to seek the Commission's immediate intervention.

18. There is a pending Petition for Reconsideration in MB Docket 04-318 which would provide Western with a permanent channel for WJZG and V.I, Stereo with a permanent channel for WVIS.¹⁶ If that Petition for reconsideration is denied or not granted by December, then the only option left to prevent WJZG from having to go dark is relief similar to that provided in MM Docket 95-175. In that case, the Report and Order required one of the stations to move involuntarily, and for the proponent to reimburse the party that had to move.

¹⁶ This docketed rule making proceeding would have provided a permanent allotment for WJZG and a permanent allotment for WVIS at Vieques, MB Docket 04-318. That docket, initiated by Western, proposed changing the Culebra allotment from Channel 254A to Channel 291A, and the Vieques allotment from Channel 291B to Channel 254A. The proceeding was decided on facts that have dramatically changed, without addressing any the merits of the reallocation proposal advanced by Western in the proceeding. See, *Report and Order*, DA 06-1308, released June 23, 2006 (Petition for Reconsideration pending). This proceeding must be reexamined in light of changed circumstances which Western will address in a separate pleading directed to that docket.

The parties could not come to terms on the reimbursement figures, and the party that was ready to implement the change asked the FCC to intervene.

19. By letter dated January 12, 1998, just two years after the R&O was issued, the FCC intervened to insure the implementation of the results of that docket. It afforded the station that was resisting the change thirty days to commence operation on its new channel and ordered that on the thirtieth day following the letter decision, the station that had constructed pursuant to the Report and Order could commence operations on its new channel regardless of whether or not the resisting station had implemented the required frequency change. After reminding the parties of the five categories for which reimbursement should be offered – (1) legal and engineering costs; (2) new equipment that is legitimately required for the channel change; (3) the printing of new logs and stationery; (4) out-of-pocket expenses while the station is off the air; and (5) limited advertising for the new frequency as long as there is not an attempt to improve the station situation at the expense of the reimbursing party – the Commission went on to state:

we are unwilling to permit protracted delays in instituting new service to the public which would be realized by the operation of KTLS simply because two licensees can not mutually agree upon reasonable and prudent expenses incurred in the channel change. Tyler clearly has represented to the Commission that it will reimburse Dunn to make the channel change. Moreover, under the terms of the Report and Order, KIMY must vacate Channel 228A promptly. Dunn is not permitted to delay the channel change and delay institution of new service due to a reimbursement dispute.¹⁷

¹⁷ A copy of this letter decision is attached as Exhibit D. The quoted language can be found in the penultimate paragraph.

The Commission took this position a scant two years after the Report and Order in eth docket was issued. The R&O in MM Docket 91-259 was issued 12 years ago, in 1995.

20. Western represents that it and La Mas are prepared to implement that changes mandated by the R&O immediately. Both have valid construction permits for their post-R&O facilities. Western urges the FCC to issue a letter decision like it did in MM Docket 95-175, and order Western and La Mas to commence operations at their new facilities in thirty days regardless of whether the other licensees implement in the same 30 day period. The Commission should also make clear in that letter decision that V.I. Stereo cannot obtain program test authority for its new facility in Vieques until it participates in meaningful discussions with those who are being forced to move in this proceeding and contributes its share of the reimbursement costs as required by the R&O. To allow V.I. Stereo to benefit from the changes it proposed without first accepting responsibility for its fair share of the reimbursement as directed by the R&O runs counter to any notion of fundamental fairness in the FM allotment rule making process.

WHEREFORE, Western restates its request for urgent FCC action in this matter and urges the Commission to act as it did in MM Docket 95-175, or clearly articulate its reasons why, after 12 years, it has been unable to enforce the implementation of the changes mandated by the 1995 R&O in MM Docket 91-259.

Respectfully submitted,
Western New Life Radio, Inc.

By:

A handwritten signature in black ink, appearing to read "Scott C. Cinnamon", written over a horizontal line.

Scott C. Cinnamon
Law Offices of Scott C. Cinnamon, PLLC
1250 Connecticut Ave., N.W.
Suite 200, #200
Washington, D.C. 20005
(202) 216-5798

Its Counsel

October 3, 2007

EXHIBIT A

LAW OFFICES
TOTTI & RODRIGUEZ DIAZ

418 PONCE DE LEON AVENUE
UNION PLAZA BUILDING, SUITE 1200
HATO REY, PUERTO RICO 00918

JUAN E. RODRIGUEZ DIAZ

P.O. BOX 181732
SAN JUAN PR 00918-1732
TELEPHONE (787) 753-7910
TELEFAX (787) 754-9480
E-MAIL: jerd@trdsan.com

January 20, 2000

Vincent J. Curtis, Jr., Esq.
Fletcher, Heald & Hildreth, P.L.C.
11th Floor, 1300 North 17th Street
Arlington VA 22209-3801

Re: MM Docket No. 91-259, Proposed Frequency
Changes

Dear Vince:

Enclosed please find Arso Radio Corporation's estimate of costs that its should be reimburse by the owner of radio stations WSAN, WQQZ and WVIS and any other proponents or reimbursing parties, all in accordance with the Letter of Intent executed last November.

Sincerely,


Juan E. Rodríguez Díaz

ia

Enclosures

c: Mr. Jesús Soto
Mr. Luis Soto

TO WHOM IT MAY CONCERN

RE: MM Docket 91-259

Following we provide a list of the items to be reimbursed to ARSO Radio Corporation, licensee of WPRM-FM, San Juan; in connection with the frequency change as specified in MM Docket 91-259 by the Federal Communications Commission.

FM Antennas

1. Main Antenna ERI/Harris LPX-6C tuned to 99.1MHz	\$ 18,762.00
2. Auxiliary Antenna SHPX-2AE tuned to 99.1MHz	\$ 8,601.00
3. Freight from Chandler, IN to Cayey, PR	\$ 3,000.00

Antenna Installation Charges

Removal of existing antennas. Installation of one auxiliary and one main antennas \$ 9,000.00

Transmitters Frequency Change

Frequency change for one Harris FM-10K and one Gates FM-10H transmitters \$ 11,845.00

Legal Fees

Totti & Rodriguez Diaz and Drinker Biddle & Reath: \$ 11,350.00

Engineering Consulting Fees

Consulting Engineer \$ 12,000.00

Newspaper and Promotions

Newspaper ads and arts production: \$ 65,000.00

Stationery & other Printed Materials

Stationery, forms, checks, business cards, rate cards, etc. \$ 5,000.00

Lost Billing

It is expected two (2) days may be required to complete the frequency change.

Daily Average Billing: \$ 30,000.00/day

Insurance and Business Interruption Performance Bond

The reimbursing parties will provide insurance to adequately protect against losses resulting from business interruption and other unforeseen events and the occurrence of contingencies. The insurance coverage and carrier shall be acceptable to ARSO.

Also, a performance bond must be provided in the event a problem arises related to the performed works to change frequency from 98.5 to 99.1MHz. This performance bond must be available for a period of six months from the date WPRM commences operating on its new frequency of 99.1MHz.

Miscellaneous Expenses

10KW Test Load rental \$500.00

Over the Air Promotion

We require from WQQZ, WSAN and WVIS the complete schedule of over the air promotions that these stations pledged the FCC to air indicating that WPRM is now operating on 99.1 MHz. Specifically length of spot, daily schedule, days to be aired, etc.

Affidavits are also required from these stations showing the exact schedule where the spots were actually aired.

Escrow Funds

The step-by-step procedure to collect the above expenses from the Escrow Fund must be clearly stated and agreed by all parties. Under an individual Escrow Agreement to be executed among ARSO Radio Corporation and the owners of radio stations WSAN, WQQZ, WVIS and any other proponent or reimbursing parties.

EXHIBIT B

José A. Molina - Cacho
ATTORNEY & COUNSELOR AT LAW

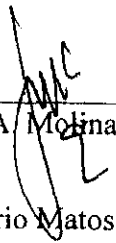
January 20, 2006

Mr. José Arzuaga
WIDI-FM
P.O. Box 1553
Quebradillas, Puerto Rico
00678

Dear mister Arzuaga:

Included please find a list of items to be reimbursed to Arso Radio, Corp. in connection with the frequency change as specified by MM Docket 91-259.

Cordially yours,



José A. Molina Cacho

c. Aurio Matos

January 2006

RE: MM Docket 91-259

To whom it may concern:

Following we provide a list of the items to be reimbursed to ARSO Radio Corporation, licensee of WPRM-FM, San Juan in connection with the frequency change as specified in MM Docket 91-259 by the Federal Communications Commission.

FM ANTENNAS

1. Main Antenna ERI/Harris LPX-6C tuned to 99.1 MHz	\$ 18,060.00
2. Auxiliary Antenna SHPX-2AE tuned to 99.1 MHz	\$ 8,367.00
3. Freight from Chandler, IN to Cayey, PR	\$ 3,066.00

ANTENNA INSTALLATION CHARGES

Removal of existing antennas. Installation of one auxiliary and one main antennas.	\$ 19,000.00
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**TRANSMITTERS FREQUENCY
CHANGE**

Frequency change for one Harris FM-10K, one Gates FM-10H transmitter and a BE/ FMI-31 HD.	\$ 15,316.00
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LEGAL FEES

José Molina-Cacho and Anthony Lepore, Esq.	\$ 12,000.00
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ENGINEERING CONSULTING FEES

Consulting Engineer Graham Brock, Inc., and a Project Engineer / Supervisor.	\$ 12,000.00
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PUBLICITY AND PROMOTIONS

Art change and design, newspapers, local magazines, outdoor promotional campaign, promotional items update, radio advertising material development, etc.	\$ 95,000.00
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STATIONARY & OTHER PRINTED MATERIALS

Business cards, rate cards, client related business forms, etc.	\$ 6,976.00
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LOST BILLING

It is expected two (2) days may be required to complete the frequency change.

Daily average billing: \$36,250.00	\$ 72,500.00
---------------------------------------	--------------

\$ 262,285.00

INSURANCE AND BUSINESS INTERRUPTION PERFORMANCE BOND:

The reimbursing parties will provide insurance to adequately protect against losses resulting from business interruption and other unforeseen events, and the occurrence of any contingencies. The insurance coverage and carrier shall be acceptable to ARSO.

Also, a performance bond must be provided in the event a problem arises related to the performed works to change frequency from 98.5 to 99.1 MHz. This performance bond must be available for a period of six months from the date WPRM commences on its new frequency of 99.1 MHz.

OTHER REQUIREMENTS:

We will require from WTTP and WIDI a pre-scheduled arrangement, approved by ARSO, relating to the air promotion that these stations pledged to air to the FCC, indicating that WPRM is now operating on 99.1 MHz. The "copy" to be aired will be designed and produced according to ARSO's specifications and standards.

Affidavits are also required from these stations showing the exact schedule where the spots were actually aired.

ESCROW FUNDS:

The step by step procedure to collect the above expenses from the Escrow Fund must be clearly stated and agreed by all parties. Under an individual Escrow Agreement to be executed among ARSO Radio Corporation and the owners of radio stations WTTP and WIDI and any other proponent or reimbursing parties.

EXHIBIT C



VIA CORREO CERTIFICADO

7005 1160 0002 3327 0319

February 27, 2007

Aureo Matos
WTPP-FM
Apartado 7
Moca, PR 00676

RE: FCC Docket 91-259

Dear Aureo:

We hereby acknowledge your recent offer for the amount of \$300,000 to cover the expenses associated with our station (WPRM-FM) frequency relocation related to the implementation of FCC Docket 91-259, as you are required to pay pursuant to FCC Policy as announced in the ***Circleville, OH*** ruling (8 FCC 2nd 159, 1967). We do acknowledge that you have agreed with us on the cost of the implementation of Docket 91-259 for WPRM-FM.

After carefully reviewing your offer we must decline as the conditions of your offer impose too much potential liability upon Arso Radio Corporation from all the other parties involved with Docket 91-259, particularly considering the complexity of the planning and implementation of the FCC mandated frequency changes across multiple stations. ARSO Radio Corporation, if it accepted your offer as conditioned, would be assuming an excessive amount of risk from these third parties.

Still, we appreciate your interest that we both share in having this issue resolved promptly, and welcome further discussions with you towards resolving this matter.

Sincerely,

Luis A. Soto
President
ARSO Radio Corporation

PO Box 363222
San Juan, PR 00936-3222
Tel. (787)-758-1300
Fax (787)-767-9343

Cc: Jesús M. Soto, CEO
Anthony Lepore, Esq.



EXHIBIT D